

CONTRACT – RE:
OPERATIONAL AGREEMENT FOR
GREAT OAKS AND BLANVILLE WEST SUBDIVISION
WASTEWATER TREATMENT SYSTEMS

This Operational Agreement for Wastewater Treatment Systems located in the Great Oaks and Blandville West Subdivisions, made and entered into on this 8TH day of JUNE, 2005, by and between Purchase Public Service Corporation, a Kentucky corporation, of P.O. Box 5100, Mayfield, Kentucky 42066, party of the first part, hereinafter referred to as “PPSC”, and the Paducah-McCracken County Joint Sewer Agency, party of the second party, hereinafter referred to as “JSA”.

:WITNESSETH:

WHEREAS, PPSC is presently the owner of the Wastewater Treatment Systems for the Great Oaks and Blandville West Subdivisions located in McCracken County, Kentucky; and

WHEREAS, PPSC and JSA desire to enter into an Operational Agreement wherein JSA will assume from PPSC some of the responsibilities for the operation of these two wastewater treatment facilities; and

WHEREAS, JSA is willing to assist PPSC in operating these two wastewater treatment systems for the consideration as set forth in this document

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, said parties hereby agree as follows:



(1) TERM:

- a. This Operational Agreement shall be effective on July 1, 2005, and shall continue on a month to month basis thereafter.
- b. Either **PPSC** or **JSA** may cancel this Operational Agreement on thirty (30) days written notice to the other.

(2) COMPENSATION TO JSA:

- a. **PPSC** shall pay to **JSA** \$29,400.00 per year divided into 12 equal payments of \$2,450.00 each to compensate **JSA** for the performance of its duties set forth in Section 3, with the exception of section 3(e).

(3) RESPONSIBILITIES OF JSA

- a. **JSA** shall assume responsibility for the daily operations of the wastewater treatment systems serving the Great Oaks and Blandville West Subdivisions.
- b. Provide all tools and equipment necessary for the operations of said systems. The service provider will direct bill **PPSC** for all chemicals.
- c. Perform planned preventive maintenance as deemed necessary by **JSA** and pre-approved by **PPSC**. Jet rodding will not exceed 16 hours annually. **PPSC** will be direct billed for **JSA's** cost for jet rodding over 16 hours in a calendar year.
- d. Conduct emergency repairs as necessary. **JSA** will bill **PPSC** for their actual parts and labor costs for emergency calls. An emergency call will be considered as a service call performed outside of regular working hours (Monday-Friday – 7:00 a.m. to 3:30 p.m.) or on a **JSA** holiday.
- e. Will inform **PPSC** of expected expenditures that are to exceed \$1,000.00 before performing the work or tasks necessary to incur the expenditures.



- f. Pull samples and take sample to approved lab in accordance with KPDES permit.
- g. Notify the Kentucky Division of Water in writing of the **JSA** operator assigned to each treatment system.
- h. Notify the Kentucky Division of Water of any sanitary sewer non-compliance such as a by-pass.
- i. Prepare, sign and submit to the Kentucky Division of Water discharge monitoring reports required of contract operators.
- j. Conduct visual inspections of tap-ons when a new customer connects to the system.
- k. Contract out mowing of plant properties as needed. **PPSC** will be direct billed for this service by the contractor.
- l. Accompany Public Service Commission, Division of Water and Kentucky League of Cities representatives on annual inspections of **PPSC'S** McCracken County facilities.
- m. Submit monthly bills to **PPSC** at the address listed above by the 10th day of the month following the occurrence of an expenditure.
- n. Expenses submitted for each system should be broken into planned and emergency expenditures for each treatment facility for Public Service Commission reporting purposes.
- o. Call out reports will be attached to the monthly statements.

(4) **PPSC RESPONSIBILITIES/OBLIGATIONS:**

- a. Continue to bill customers of the two systems referred to herein and to collect payment.



- b. Serve as contact agency for customers of the two systems. If contacted in the event of an emergency, **PPSC** will refer the emergency call to **JSA**.
- c. Maintain payables and receivable ledgers for the two systems.
- d. Pay for sludge hauling.
- e. Pay electricity and water use.
- f. Pay for equipment repair/replacement.
- g. Notify KPDES branch of changes and see that forms are sent to **JSA** at the address listed above and to the attention of Kevin Bailey.
- h. Generate reports for Public Service Commission.
- i. Sign DMRs as owner.
- j. Maintain insurance of all types and kinds on the two facilities covered by this agreement.
- k. Pay for mowing.

(5) MISCELLANEOUS:

- a. **PPSC** and **JSA** will review the terms of this Contract annually to determine if there are additions or deletions to be made.
- b. All current management agreements regarding the two systems referred to above are to be terminated.

(6) SUCCESSION:

This Operational Agreement shall be binding upon the parties, their respective successors and assigns forever.

(7) INTERPRETATION:



- a. In the event this Agreement has to be interpreted by any Court, it shall be interpreted by a Court of competent jurisdiction in Graves County or McCracken County, Kentucky.
- b. The Courts of Graves County or McCracken County, Kentucky, are the proper venues for any dispute regarding this Agreement.

(8) ENTIRE AGREEMENT:

- a. This Agreement contains the entire agreement between the parties concerning the operation of the wastewater treatment facility referred to herein and any amendments or modifications thereto shall be executed in like formality.

IN WITNESS WHEREOF, the parties have hereunto set their hands this the day and date first above written.

PPSC

JSA

PURCHASE PUBLIC SERVICE
CORPORATION

PADUCAH-MCCRACKEN COUNTY
JOINT SEWER AGENCY

By: Henry Hodges
Henry Hodges
Executive Director

By: J. Douglas Moore, P. E.
J. Douglas Moore, P. E.
Executive Director

STATE OF KENTUCKY

COUNTY OF GRAVES

Subscribed, sworn to, and verified before me by HENRY HODGES, Executive Director of **PURCHASE PUBLIC SERVICE CORPORATION**, to be his free act and deed as Executive Director of the Corporation and to be the free act and deed of the Corporation, on this the 7th day of June, 2005.



Sheila Rogers
Notary Public State-at-Large

My Comm. Expires:

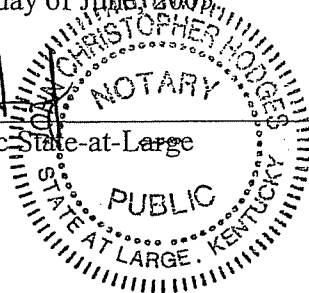
3-8-06

STATE OF KENTUCKY

COUNTY OF MCCRACKEN

Subscribed, sworn to, and verified before me by J. DOUGLAS MOORE,
Executive Director of **PADUCAH-MCCRACKEN COUNTY JOINT SEWER
AGENCY**, to be his free act and deed as Executive Director of the Agency and to be the
free act and deed of the Corporation, on this the 8th day of June, 2005

[Signature]
Notary Public State-at-Large



My Comm. Expires:

4/23/2007

